

MINUTES

MONTANA SENATE 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON ENERGY AND TELECOMMUNICATIONS

Call to Order: By **CHAIRMAN ROYAL JOHNSON**, on February 6, 2003 at 3:15 P.M., in Room 317-C Capitol.

ROLL CALL

Members Present:

Sen. Royal Johnson, Chairman (R)
Sen. Corey Stapleton, Vice Chairman (R)
Sen. Bea McCarthy (D)
Sen. Walter McNutt (R)
Sen. Gary L. Perry (R)
Sen. Don Ryan (D)
Sen. Emily Stonington (D)
Sen. Bob Story Jr. (R)
Sen. Mike Taylor (R)
Sen. Ken Toole (D)

Members Excused: None.

Members Absent: None.

Staff Present: Todd Everts, Legislative Services Division
Marion Mood, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 168, 1/29/2003;
SB 290, 1/29/2003;
SB 308, 1/31/2003
Executive Action: HB 168; SB 215

Note: **CHAIRMAN ROYAL JOHNSON, SD 5, BILLINGS**, introduced a handwritten note, **EXHIBIT(ens26a01)**, from **SEN. EMILY STONINGTON, SD 15, BOZEMAN**, by which she withdrew SB 199 from consideration. It was later learned the committee has to take Executive Action on

every introduced bill even absent a hearing, and SB 199 was tabled at a later date.

HEARING ON HB 168

Sponsor: REP. TIM CALLAHAN, HD 43, GREAT FALLS

Proponents: Greg Jergeson, Public Service Commission (PSC)

Opponents: None

Opening Statement by Sponsor:

REP. TIM CALLAHAN, HD 43, GREAT FALLS, opened by saying HB 168 was requested by the PSC because the commission was to provide oversight and monitor Qwest's entry into the wholesale long distance market. HB 168 sought to establish a state special revenue account for the deposit of payments by telecommunications providers pursuant to the terms of a performance assurance plan, and it allows the PSC to expend those funds for intrinsic costs.

Proponents' Testimony:

Greg Jergeson, PSC, presented testimony given by **Commissioner Bob Rowe** during the hearing of HB 168 in the House of Representatives, **EXHIBIT**(ens26a02).

Questions from Committee Members and Responses:

SEN. BOB STORY, SD 12, PARK CITY, ascertained the PSC could draw money from this account to pay their operating expenses with regard to overseeing Qwest's performance. He asked **Commissioner Jergeson** if there were any other accounts such as this, and **Commissioner Jergeson** replied there were none of this nature. He stressed the money could only be used for the specified purpose because this was a special account. **SEN. STORY** surmised this was money outside of the appropriation process which **Commissioner Jergeson** confirmed this, explaining it was a statutory appropriation. **SEN. STORY** referred to PSC testimony where it stated if there were insufficient funds in the special account, the PSC could ask not only Qwest but other providers as well to fund this program. **Commissioner Jergeson** affirmed this and added the fact there were no opponents showed other long distance carriers were interested in seeing this performance assurance process work properly because it assured the local market would remain competitive.

SEN. COREY STAPLETON, SD 10, BILLINGS, asked if the performance assurance plan had the government step in and ensure performance in the private sector. **Commissioner Jergeson** deferred his question to **Kate Whitney, PSC staff**, who explained in order for Qwest to receive Section 271 approval from the FCC, it had to prove that it opened its local markets to competitors by measuring its performance against standards set by state commissions, competitors, and Qwest itself. Qwest was successful in doing that and subsequently, the performance assurance plan ensured Qwest remained in compliance. If Qwest does not comply with the standards, it automatically makes payments to the competitors who were affected by the non-compliance; should the violation continue past three months' time, Qwest would make payments to the states as well. **SEN. STAPLETON** wondered why there had not been any proponents and questioned the need for the bill. **Ms. Whitney** repeated there will not be any payments if Qwest remains in compliance. She added that many competitors participated in this multi-state effort to get Qwest in compliance with the standards, and they were aware of the performance assurance plan. **SEN. STAPLETON** asked if Qwest's market share was declining, and **Ms. Whitney** explained Qwest did not have to make a showing of market share, only that the market was open to competition, and its systems such as pre-ordering, provisioning of service, maintenance and repair, and billing allowed other service providers to compete.

CHAIRMAN JOHNSON wondered how the PSC would be able to tell if Qwest was out of compliance. **Ms. Whitney** stated Qwest filed monthly reports of its compliance against each standard, and with this so-called self-executing plan, if there is a month where they are not in compliance in relation to a competitor, they automatically make payments to that competitor. **CHAIRMAN JOHNSON** asked whether the same was required of any other telecommunications company. **Ms. Whitney** replied Section 271 applied only to former Bell companies, and there were no others in Montana; other states with Section 271 approval have plans such as this one in place.

CHAIRMAN JOHNSON asked why he had not given any testimony on behalf of the company, and **Rick Hays, Qwest**, explained he had supported this bill in the House of Representatives and, not anticipating any opposition, chose not to testify. He added he liked the plan and had worked through this re-entry process with the PSC staff for the last several years. HB 168 was necessary because current Montana statute does not allow the PSC to accept these kinds of funds.

SEN. STAPLETON wondered if federal standards determined if a company was out of compliance. **Mr. Hays** claimed it was a

combination of federal and local standards; the real issue, though, was parity by ensuring service standards were comparable. **SEN. STAPLETON** expressed concern with states having to monitor federal standards. **Mr. Hays** stated this had to do with the make-up of states, with apparent variances based on their geography such as urban versus rural, and thus individual service standards varied.

Closing by Sponsor:

REP. CALLAHAN closed on HB 168.

EXECUTIVE ACTION ON HB 168

Motion/Vote: **SEN. STONINGTON** moved that **HB 168 BE CONCURRED IN.**
Motion carried unanimously.

Note: The committee stood at ease for about ten minutes to allow the sponsor of SB 290 to finish up presenting a bill in another committee.

HEARING ON SB 290

Sponsor: **SEN. JON TESTER, SD 45, BIG SANDY**

Proponents: **Mike Strand, MT Independent Telecommunications Systems**
Geoff Feiss, MT Telecommunications Assn.
Greg Jergeson, PSC
John Magyar, Central Montana Communications and Triangle Telephone Cooperative
Jay Stovall, PSC
Phil Maxwell, 3Rivers Telephone
Bob Orr, Lincoln Telephone Company
Chuck Evilsizer, Hot Springs Telephone Company

Opponents: **Jim Blundell, Western Wireless Corporation**

Opening Statement by Sponsor:

SEN. JON TESTER, SD 45, BIG SANDY, stated SB 290 refers to a requirement under federal law which states rates and service in rural areas have to be reasonably comparable to those in urban areas. The mechanism at the federal level which helps to ensure rates in rural areas are affordable is referred to as "universal service fund." It is paid to rural telephone companies which

have been designated as Eligible Telecommunications Carriers (ETC's); in Montana alone, more than \$50 million per year are collected in this fund. He explained that existing telecommunications providers who have been operating in Montana since the Federal Telecommunications Act of 1996 have already been designated as ETC's, and SB 290 simply directs the PSC to find that new competitors applying for ETC designation were providing service comparable in quality to the service already available before they can be designated as ETC's as well.

Proponents' Testimony:

Mike Strand, MT Independent Telecommunications Systems, handed in and, read from, written testimony, **EXHIBIT(ens26a03)**, and **EXHIBIT(ens26a04)**.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 8.2}

Geoff Feiss, MT Telecommunications Assn., submitted written testimony, **EXHIBIT(ens26a05)**.

Greg Jergeson, PSC, also submitted written testimony, **EXHIBIT(ens26a06)**. At the end of his testimony, he supplied a proposed amendment, **EXHIBIT(ens26a07)** which clarified the burden of proof rests with the applicant of the ETC designation. It was requested by the PSC because of their small staff and limited resources.

John Magyar, Central Montana Communications and Triangle Telephone Cooperative, rose in support of SB 290, saying these two companies served both rural and urban areas in Montana, and had recently upgraded their system to provide DSL throughout many of their exchanges. He reiterated if they ever had to discontinue their advanced services, it could be a hardship for the customers if a new ETC did not have to follow any service standards but still reaped rewards from the universal service fund.

Jay Stovall, PSC, stressed the importance of having standards in statute when determining the eligibility of an ETC designation applicant.

Phil Maxwell, 3Rivers Telephone, also stood in support of SB 290 and informed the committee that his company had both wireless and wire line service.

Bob Orr, Lincoln Telephone Company, stated his company only had about 1,000 subscribers in a 2015 square mile area and provided advanced telecommunication services to them. He went on to say while about 7.4% of their operating revenue came from the

universal service fund, the company had spent more than \$330,000 to upgrade the system. He also charged that any newcomer should have to provide equal services to all customers in a rural area.

Chuck Evilsizer, Hot Springs Telephone Company, stated the company he represents served roughly 900 access lines. He agreed with previous testimony but wanted to add in his opinion, neither the Federal Telecommunications Act nor the FCC's interpretation thereof adequately addressed the interests of rural America, and this was the key issue behind this bill. He accused the FCC of promoting economically inefficient and subsidized service, cherry-picking of the low-cost, i.e. urban, customers without providing competitive or service benefits to rural customers who do not have the service benefits of low-cost, high-density areas. He felt this policy damaged the rural infrastructure which had been created to provide high quality service throughout the state, and he lauded the sponsor for creating a supplement to federal law which was specific to Montana.

Opponents' Testimony:

Jim Blundell, Western Wireless Corporation, read from written testimony, **EXHIBIT (ens26a08)**, which was submitted one day after the hearing.

Informational Testimony:

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Jay Preston, Ronan Telephone Company, stated as an incumbent service provider, his company supported much of the rationale behind SB 290 but doubted the bill was needed at this time. He was certain the PSC would do right by rural Montana when making their decision with regard to granting rural universal service subsidies, with or without SB 290. He felt the proponents' reaction was purely monopolistic and was quick to point out telephone service was no longer a monopoly. From a competitor's perspective, there seemed to be some hypocrisy on the part of the largest rural incumbent telephone cooperatives because many of the proponents were offering services outside of their rural areas and had asked for and received ETC status for their urban ventures. He felt SB 290 would make it more difficult for rural competing carriers to accomplish in rural areas the very thing proponents were enjoying in the state's larger communities. Lastly, he told of his family's business which had started out as a monopoly until challenged by a number of strong competitors; even though he would have supported this bill at that point, he admitted to having learned since the competition had forced them to become a much better telephone company than they had been before, to the benefit of their subscribers. He felt certain a

rational policy promoting competition in rural telecommunication will benefit both rural consumers as well as the supporters of this bill.

Questions from Committee Members and Responses:

SEN. EMILY STONINGTON, SD 15, BOZEMAN, referred to page 2, lines 3 and 4 of the bill where it states "a determination of public interest by the commission must include, at a minimum, a finding that the public benefits of designating a second eligible telecommunications carrier for an area exceed the public costs of supporting multiple ETC's" and asked what that meant. **Mr. Strand** explained as a competitor entered an established market and was given a subsidy, the incumbent became less efficient because he was left with a smaller customer base over which to spread the cost of doing business; the issue was whether the benefits of competition -- potentially lower prices and better service -- outweighed the economic inefficiencies of subsidizing both the incumbent and the newcomer.

SEN. DON RYAN, SD 22, GREAT FALLS, wondered who exactly was subsidizing these businesses, and **Mr. Strand** replied it meant the public at large paid into this fund through the "Universal service fund" line item on their phone bills. **SEN. RYAN** asked if there would be an increase in rates if more than one competitor received money from the fund in the same service area. **Mr. Strand** explained since all carriers received the same support, the fund needed to grow to accommodate multiple carriers; this meant the amount the consumer contributed would have to increase. **SEN. RYAN** wanted to be sure this was a national fund, which **Mr. Strand** confirmed.

SEN. WALT McNUTT, SD 50, SIDNEY, addressed **Mr. Strand**, referring to the argument made by **Mr. Blundell** with regard to Cellular One, which is both a benefactor and a contributor of the universal service fund, that SB 290 may preclude his company from receiving ETC status. **Mr. Strand** replied **Mr. Blundell** was overreacting; the standards for ETC status were very basic, and as long as his company was able to meet them, and the PSC found their designation to be in the public interest, they would be granted ETC status as well as the funding. He explained the companies he represents were not trying to prevent this; they just wanted to set the bar higher than the FCC had. He added, contrary to **Mr. Blundell's** interpretation, the Fifth Circuit Court of Appeals has already determined state commissions can add requirements to ETC designations. **SEN. McNUTT** asked **Greg Jergeson** if the PSC could set these standards without SB 290. **Mr. Jergeson** replied the PSC could do that but he preferred having legal backing to help

establish standards they could rely on; the determination would be made on a case by case basis, and more standards could be added in. **SEN. McNUTT** wondered if this kind of thinking could be applied to the pre-approving of long-term contracts. **Mr.**

Jergeson declined to answer, saying these were two different issues. **SEN. McNUTT** did not agree but then wanted to know how to distinguish "equal access" since both wireless and wire line companies could serve the same customer. **Mr. Jergeson** replied the wireless level of service was inferior to the service put in place by the incumbent wire line companies in that coverage was not available in all areas; he suspected the level of competition existed now because of the expectation of being able to share in the universal service fund. He felt it was highly important the existing level and quality of service provided to rural Montana by the incumbent telephone companies be in place before competitors received any of these funds.

SEN. STONINGTON turned to **Mr. Blundell** and asked how competition could work in this environment, since he seemed to feel the standards in this legislation set the bar too high for a new entry into the market place especially since Cellular One depended on cell towers for coverage. She also asked him the same question she had posed to **Mr. Strand** earlier about public benefits exceeding the public costs of supporting multiple ETC's. **Mr. Blundell** went back to answer her first question, saying setting the bar too high was not the issue; it was the fact that SB 290 added an additional requirement, namely that of "equal access" which would exclude a class of carriers. He stated "equal access" is not a requirement on wireless carriers, and the FCC specifically states it shall not be a requirement for ETC designation. In response to **SEN. STONINGTON's** request for further clarification, he explained "access" meant customers had access to inter-exchange services by being able to make long-distance phone calls; this can be done on a wireless phone. "Equal access" means the customer chooses their carrier and he receives service through the provider's switch. Most, if not all, wireless carriers provide access to the long-distance provider of the customer's choice; the difference was in "1+" dialing, and with equal access, one could dial out directly without having to interface through a long-distance provider. According to the FCC, "equal access" is not an additional requirement. **SEN. STONINGTON** wondered if this "equal access" stipulation would keep his company from ever qualifying for ETC status. **Mr. Blundell** his company did not provide 1+ dialing on their network, and it would be a substantial burden on the wireless industry to have to provide it.

SEN. KEN TOOLE, SD 27, HELENA, asked for the definition of "rural" as opposed to "urban". **Mr. Strand** explained "rural" was

defined as an area served by a rural telephone company when the Act was passed in 1996; this meant every area in Montana served by any of the rural telephone cooperatives with the exclusion of Qwest was considered "rural".

SEN. MIKE TAYLOR, SD 37, PROCTOR, asked why Montana was the first state proposing this kind of legislation. **Mr. Strand** replied it had taken the FCC about three years after the Federal Communications Act had passed to work through the process and establish regulations for ETC designation. He stated he had received a lot of positive feedback for finally coming out and proposing this legislation.

{Tape: 2; Side: B}

SEN. McNUTT's concern was with "access" more than "equal access" in the rural areas he drives through in Eastern and Central Montana where many times he finds there is no coverage at all with his cell phone but land lines allow him to make the necessary calls; he asked why Western Wireless should be granted ETC designation when he could not use their service. **Mr.**

Blundell responded the FCC recognized some competitive providers would have gaps in coverage and, therefore, did not require ubiquity in their coverage. He pointed out this was not confined to wireless carriers; wire line carriers also did not have ubiquity throughout their entire service area. He defined a competitive universal service program as having a basic level of service with a competitor coming into the market and being eligible for universal service support. In the end, the customer decides who his service provider should be and, by that decision, where these funds should go; it should not be the government's decision.

SEN. STORY asked if there was any requirement as to where an ETC spent the money. **Mr. Blundell** explained they were required to spend the money for universal service purposes but it was unclear whether it had to be spent in the same area. It was his company's practice, though, to reinvest the money in the area it came from. **SEN. STORY** wondered if the traditional phone companies were losing customers to wireless service or if most people had both. **Mr. Strand** stated he did not see many customers abandoning their land line phones and estimated about 10% of customers nationwide had gone completely wireless, mostly in metropolitan areas where there were wireless solutions to broadband as people did not want to give up internet access. He added Sagebrush Cellular, one of the companies he represented, was a wireless carrier who did not receive universal service support. **SEN. STORY** inquired whether people would rather go wireless because of the cost of extending phone lines to remote homes. **Mr. Strand** replied this was not an issue with his

customers since it was company policy not to charge customers to extend the lines to them.

CHAIRMAN JOHNSON asked whether the total spent in Montana by the cooperatives was really \$70 million, and **Mr. Strand** informed him it was closer to \$80 million per year which was invested in new facilities, including intrinsic costs such as expenses and salaries.

Closing by Sponsor:

SEN. TESTER closed on SB 290, saying he welcomed the amendment offered by the PSC.

HEARING ON SB 308

Sponsor: **SEN. MIKE TAYLOR, SD 37, PROCTOR**

Proponents: **Cort Jensen, Dept. of Administration, Consumer Protection Office**
Pat Callbeck-Harper, AARP Montana
Mike Strand, MT Independent Telecom. Systems

Opponents: **Ross Cannon, Direct Marketing Association**
Cory Swanson, AT & T

Opening Statement by Sponsor:

SEN. MIKE TAYLOR, SD 37, PROCTOR, stated he brought SB 308 to eliminate the exemptions already in statute and because previous attempts to legislate telemarketing calls had failed. He wanted to make sure telemarketing calls would cease without harming businesses and schools and offered drafting an amendment which would exclude telecommunications companies. He then went over various issues in SB 308, such as decreasing the amount of bonds from \$50,000 to \$10,000 in order to raise the number of companies who have to bond, thereby providing proof they are a legitimate business; requiring telemarketers to maintain a registered office or have a registered agent; he claimed these and other provisions would make it easier to prosecute violators. SB 308 also changes the time allowed for these calls to 9 a.m. to 7 p.m., asks charity fund raisers for disclosure of what percentage of the money collected went to the charity, and it prohibits automatic dialing devices with the exception of government agencies (through a proposed amendment).

Proponents' Testimony:

Cort Jensen, Department of Administration, Consumer Protection Office, advised the committee SB 308 was not a do-not-call bill and mostly addressed areas of telemarketing fraud, providing his office with tools to do their job more quickly and efficiently. He told of many telemarketers who came in, conducted their business and disappeared or changed locations within 30 days and said without the tools provided in SB 308, it was difficult to prosecute them.

Pat Callbeck-Harper, AARP Montana, related how many people complained of falling victim to telemarketing fraud, and lauded the sponsor's continuing efforts to strengthen consumer protection. Since AARP did conduct telephone surveys with regard to social and political issues, she was concerned with the new Section (9) which seemed aimed at them as well. She expressed satisfaction with the provision that fund raisers for charities had to disclose the amount which actually went to the charity as this had been AARP's practice for many years, and she supported the restriction of calling hours.

{Tape: 3; Side: A}

Mike Strand, MT Independent Telecommunications Systems, expressed his organization's support for SB 308, saying while they do not engage in telemarketing, they hear a lot of their members' complaints about these unwanted calls.

Opponents' Testimony:

Ross Cannon, Direct Marketing Association, stated his organizations was not totally opposed to SB 308 but had concerns with three issues contained therein. These concerns are addressed in his proposed amendment, **EXHIBIT(ens26a09)**. Lastly, he acknowledged the existence of several bills seeking to regulate telemarketing and expressed hope that the committee would be able to combine the best of each into one passable bill.

Cory Swanson, AT & T, clarified while he appeared as an opponent to SB 308, his organization was interested in an amendment the sponsor had mentioned which would exempt telecommunications companies. He provided the committee with the copy of an article from that day's Helena Independent Record, **EXHIBIT(ens26a10)**, saying if Qwest was in a position to provide long-distance coverage to its local service customers while competitors such as AT & T were precluded from offering their services to those customers via telephone, it would basically extend Qwest's monopoly in Montana; he anticipated the proposed amendment would resolve this issue. He wondered whether this amendment would restrict AT & T's calling hours as set in the bill, and lastly, on line 16 of the bill, he would like to see "predictive dialing

device, or similar device" stricken to allay AT & T's concerns.

Informational Testimony:

Rick Hays, Qwest, opined that existing laws regarding deceptive trade practices and truth in advertising laws were working well, and companies did already meet the script drafting requirement. He was unsure about the bill's exemptions, saying it was unclear who was affected, and he came to the defense of telemarketers, comparing their calls to junk mail from which benefits could be derived; for instance, they could inform about a new service or product of interest. His company receives valuable feedback with regards to the services they provide via these calls; to him, it was a viable commerce activity.

Leroy Schrumm, Legal Counsel, MT University System, proclaimed he had no issues with the bill other than Section (3) where it exempts from the registration and bonding requirements "religious, charitable, and educational organizations"; this included groups he was concerned with such as alumni associations or booster clubs which were currently exempt but the new language states "unless the entity on whose behalf the person is engaged in solicitation has a membership made up of members of the public and the payment of dues is a requirement for membership in the entity". He claimed the groups he mentioned were exempt in one place of the bill but not in another, and felt this portion of the bill deserved serious scrutiny.

Bill Leary, MT Bankers Association, submitted comments written by the association's attorney, **George Bennett, EXHIBIT(ens26a11)**, and advised the free speech issue be thoroughly researched. He was also concerned whether an organization like "Crimestoppers" would be granted an exemption as they provided an invaluable service.

Questions from Committee Members and Responses:

SEN. TOOLE stated he works for a non-profit organization who employs an automatic dialing device to notify members of events. He wondered if they would be exempt from having to submit scripts. **SEN. TAYLOR** thought charitable organizations were exempt from this provision. **SEN. TOOLE** related an incident where he had received an obviously taped message from Pat Robertson, turned this in to the County Attorney who advised him there were constitutional problems in trying to prosecute political speech, and now there was a section about political speech in SB 308, and he wondered if the sponsor had consulted an attorney about this issue. **SEN. TAYLOR** replied that he had and explained political

speech had enjoyed a higher level of freedom than other parts of the business world. In the bill, he tried to at least require registration but would not change the script. **SEN. TOOLE** inquired whether political organizations would be exempt from the prohibition of auto-dialers, and **SEN. TAYLOR** deferred the question to **Cort Jensen** who explained the registration and bonding requirement is separate from other telemarketing regulations. Section (7) which prohibits auto dialers only applies to telemarketers and sellers; non-profit organizations contacting their members would not be considered as making a telemarketing call, and the same was true with political organizations.

CHAIRMAN JOHNSON told the committee the Commissioner of Political Practices would be available to answer questions.

Closing by Sponsor:

SEN. TAYLOR stated the committee must decide whether to accept the opponent's views and reminded the members of the amendments which were forthcoming. In closing, he pointed out that by design, this was not another do-not-call list, he did not want to duplicate federal efforts; he also stated SB 308 would not create another agency or bureaucracy by keeping the enforcement with the Department of Administration.

{Tape: 3; Side: B}

Note: **CHAIRMAN JOHNSON** advised the committee Todd Everts would draw up a comparison between all of the telemarketing bills, and announced Executive Action for February 13, 2003, after the hearing on SB 327. This met with resistance from **SEN. DON RYAN** who stated he would bring SB 62 out on the Senate floor for second reading on the following day because it had been a month since his bill had been heard.

EXECUTIVE ACTION ON SB 215

Motion: **SEN. TOOLE** moved that SB 215 DO PASS.

Substitute Motion/Vote: **SEN. TOOLE** made a substitute motion that **AMENDMENT SB 021501.ATE BE ADOPTED**. Substitute motion carried unanimously.

Note: This amendment, **EXHIBIT(ens26a12)** was introduced on 1/21/03 when SB 215 was heard.

SEN. TOOLE introduced Amendment SB021502.ate, **EXHIBIT(ens26a13)**.

Substitute Motion: SEN. TOOLE made a substitute motion that AMENDMENT SB 021502.ATE BE ADOPTED.

Discussion:

SEN. TOOLE explained this amendment required any revenue raised from SB 215 would go into the Child Support Enforcement Division account. SEN. STORY voiced his opposition to the amendment. CHAIRMAN JOHNSON asked if the Fiscal Note had changed due to these amendments, and SEN. TOOLE responded removing the cooperatives would definitely reduce the amount. SEN. BEA MCCARTHY, SD 29, ANACONDA, wondered if it was legal to put this money into the Child Support Enforcement Division, and Todd Everts assured her it was an eligible fund.

Vote: Motion that AMENDMENT SB 021502.ATE BE ADOPTED failed 2-8 with STONINGTON and TOOLE voting aye.

Motion/Vote: SEN. TOOLE moved that SB 215 DO PASS AS AMENDED. Motion failed 2-8 with STONINGTON and TOOLE voting aye.

Motion/Vote: SEN. STORY moved that SB 215 BE INDEFINITELY POSTPONED. Motion passed 8-2 with STONINGTON and TOOLE voting no.

ADJOURNMENT

Adjournment: 6:45 P.M.

SEN. ROYAL JOHNSON, Chairman

MARION MOOD, Secretary

RJ/MM

EXHIBIT (ens26aad)